



Economic Development Administration

Mission Statement

To create a climate conducive to the development of private enterprise in America's distressed communities.

Brief Background

EDA helps distressed communities overcome barriers that inhibit the growth of their local economies and their ability to effectively compete in regional, national, and global markets. EDA builds local capacity in the form of strategic investment planning which helps local communities plan for new technologies, job creation opportunities, and enterprise development.

Rapidly changing technology and trade patterns create new challenges and opportunities for local and regional economies. The economic prosperity generated by these changes have not been evenly distributed throughout the nation, or within regions. While some communities have benefited from the digital economy, others have been left behind. A term coined the "Digital Divide" by the Commerce Department reflects the manifestations of the "have and have-nots" in the digital economy. Just as proximity to the railroads was critical for the industrial economy, the technology era is one of access to bandwidth, telecommunication networks, modern infrastructure, and advanced research and training facilities.

Many communities lack the resources to keep pace with change, or to prepare for the technologies driving world commerce. These impoverished communities do not have the resources to create jobs, nor the ability to respond to innovations in technology and emerging world markets. These communities must first establish a foundation for growth in the digital economy through strategic investments in physical, financial, and human capital.

EDA supports local, state and regional planning partnerships that target assistance to economically distressed areas. These partnerships help communities plan and implement strategies for achieving and sustaining long-term economic growth. EDA's focus on locally developed strategies allows EDA to make strategic investments in modern infrastructure and local capital markets. EDA responds to local priorities and invests in projects that can stabilize local economies and create new opportunities for employment and private enterprise in distressed communities. EDA's flexible approach encourages communities to develop innovative strategies and to form strategic partnerships that will increase access to new technologies and emerging world markets.

Priorities

Department-Wide

E-Commerce - EDA funds innovative proposals that support local, State and regional efforts to close the digital divide. EDA's highly flexible, streamlined programs can bring communities into the mainstream of the information age. EDA will assist local, State and regional planning partners in acquiring information technology and the training they will need to serve distressed communities and position them to compete globally in the new digital economy.

Native American Economic Development Assistance - This initiative supports planning and investment for sustainable development programs that are needed to provide permanent jobs and income for Native American Communities, including Alaskan Native Villages. EDA has had a long history of funding critically needed infrastructure and economic development facilities in Native American communities.

Assisting Distressed Communities - EDA helps economically distressed communities participate in growth generated by advanced technologies and emerging world markets. EDA programs create opportunities for better jobs and new business enterprise in communities experiencing substantial unemployment, low per capita income, or other special needs such as major job losses due to plant closings or military/energy facility closures, disasters, or the depletion of natural resources.

Bureau

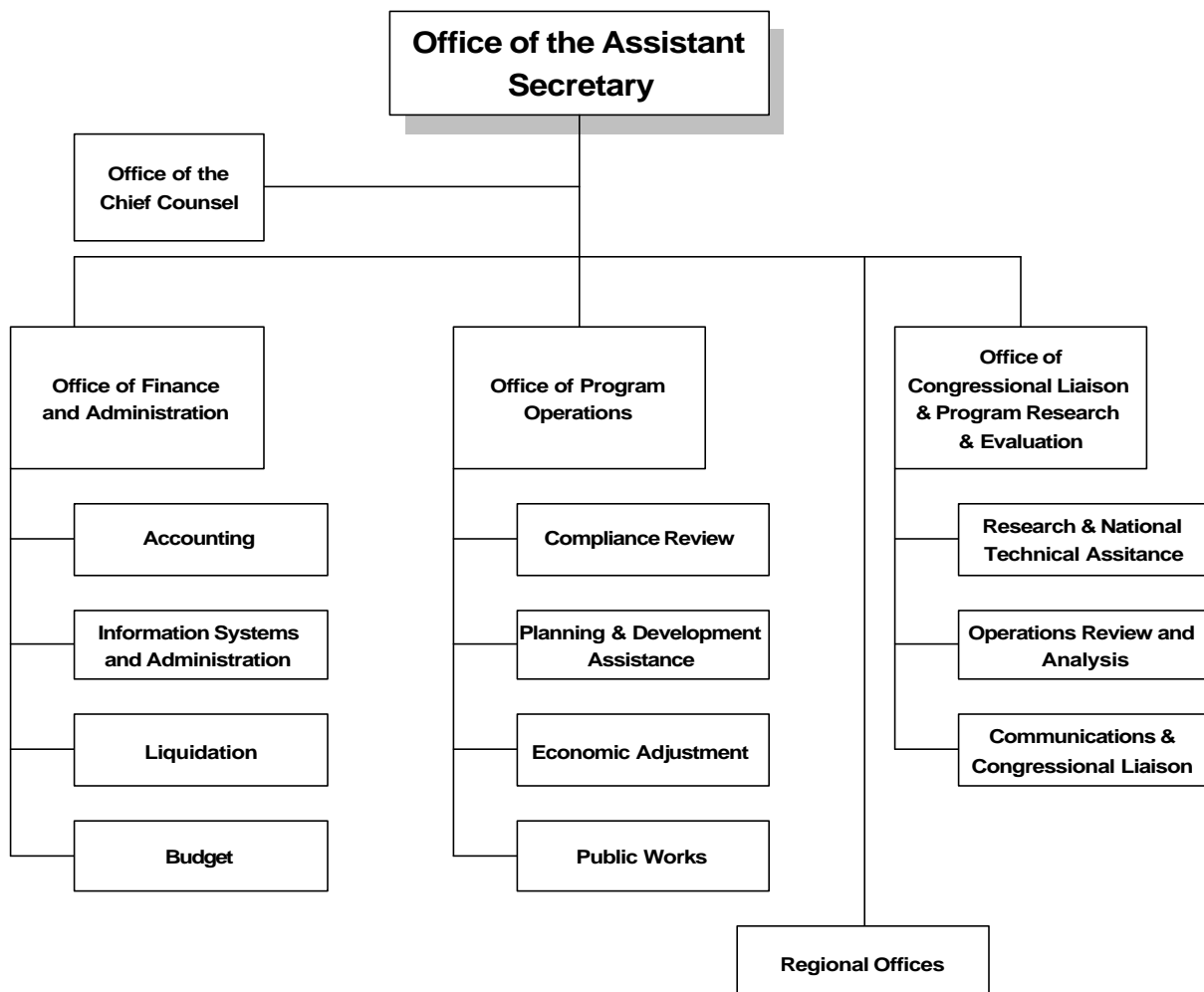
Planning Partnerships - EDA fosters involvement with local, State and national entities to strengthen and expand regional networks of development organizations. Strategic partnerships provide critical support for coordinating federal, State, and local initiatives in economically distressed rural and urban communities.

Encouraging Innovation - EDA encourages communities to become more innovative in their approach to economic development. This initiative focuses on the use of technology, environment, and regional economic development for economic programs for distressed communities. EDA will recognize innovative approaches through awards for excellence in economic development.

Leveraging Investment - EDA plays a critical role in helping bridge the financing gap in distressed communities, and its investments serve as the seed funds for local development throughout the country. Often EDA's investments are what attracts and leverages capital from the private sector. EDA will aggressively act as a catalyst for private sector investment by funding a limited, innovative financing initiative within the defense adjustment program. It is based on the completed study *Defense Adjustment Infrastructure Bonds: Credit Enhancement Grants Make Affordable Capital Available*. Distressed communities usually lack adequate resources for planning and infrastructure development and albeit private sector investment. EDA plays a critical role in helping these communities attract and leverage capital investment from the private sector.

Organizational Structure

U.S. Department of Commerce Economic Development Administration



Highlights of EDA FY2001 Annual Performance Plan

FY 2001 Proposed E-Commerce Initiative:

In FY 2001, as a part of a Departmental E-commerce Initiative, EDA will help expedite the deployment of advanced broadband Internet access to communities in areas of high distress. EDA's foremost objective for this initiative is to help distressed communities compete effectively in a global technology-dominated marketplace.

FY 2001 Proposed Indian Economic Development Program Initiative:

For FY 2001, EDA will implement an Indian Economic Development Program Initiative (IEDP). EDA will use existing program tools to initiate a set-aside for Native American applicants to fund a variety of economic development projects, including telecommunication projects. The proposed IEDP Initiative is designed specifically to close infrastructure gaps and encourage sustainable and diversified economies in Native American communities.

A recent EDA-funded study, *Assessment of Technology Infrastructure in Native Communities* (June 1999), identified a considerable gap in both basic infrastructure such as roads, utilities, and housing, and more advanced technology infrastructure such as Internet access, cellular phone service, and cable television compared to non-Native communities. The study further points out, that a weak economic base for Native communities has made it difficult to support infrastructure investment, which in turn, undermines these communities' ability to implement successful economic development initiatives. Please see **Appendix 5** for further information regarding this initiative.

FY 2001 Proposed Community Economic Adjustment Initiative:

Consistent with the Administration's support of efforts to open international markets to US firms and to promote free trade, EDA will continue to assist those communities that experience a disproportionate share of the negative impacts associated with trade opening agreements or changing trade patterns. This funding will be used to support a variety of projects including preparation of economic development strategies, infrastructure improvements to remove impediments to economic development, and capitalization of revolving loan funds to help create new firms or expand existing ones.

FY 2001 Proposed Mississippi Delta Initiative:

In 1998, Congress recognized the Mississippi Delta region with the creation of the Lower Mississippi Delta Commission (LMDC). The geographical area is composed of 219 counties and parishes in the States of Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri and Tennessee. Despite the economic progress throughout the United States, the Delta region lags behind the rest of the country in employment, income, housing, transportation, access to capital, education levels, health care and economic development.

The Mississippi Delta: Beyond 2000 report is the result of Department of Transportation organized effort involving ten Federal agencies pledging to work together to coordinate government efforts in the Delta. The report presents four key themes: 1) revitalizing the regional economy; 2) improving the quality of life; 3) protecting and enhancing the region's natural resources, environment and tourism; and 4) developing and implementing regional planning. The requested funds will be used to provide construction, revolving loan fund, and technical assistance grants. Please see **Appendix 5** for further information regarding this initiative.

Targets and Performance Summary

Performance Goal 1: Support job creation and enterprise in distressed communities			
Long-term Outcome Measures	FY 99 Funds	FY 00 Funds	FY 01 Funds
Number of permanent jobs created or retained in distressed communities as a result of EDA grants	5,698 by FY 2002 28,492 by FY 2005 56,983 by FY 2008	5,651 by FY 2003 28,254 by FY 2006 56,509 by FY 2009	5,902 by FY 2004 29,508 by FY 2007 59,016 by FY 2010
Private sector dollars invested in distressed communities as a result of EDA grants	\$0.21 billion by FY 2002 \$1.04 billion by FY 2005 \$2.08 billion by FY 2008	\$0.20 billion by FY 2003 \$1.02 billion by FY 2006 \$2.04 billion by FY 2009	\$0.20 billion by FY 2004 \$0.99 billion by FY 2007 \$1.99 billion by FY 2010
Interim & Process Measures	FY 99 Actual	FY 00 Target	FY 01 Target
State and local dollars committed to EDA-funded projects	\$383 Million	\$197 million	\$211 million
Percent of public works and economic adjustment facilities and revolving loan fund grants awarded in areas of highest distress	36%	30%	30%
Application processing time for public works and economic adjustment construction, and revolving loan fund grants	38% decrease	6% decrease	6% decrease

This performance goal is supported by budget activities for Public Works and Capital Access as authorized by PWEDA under Section 201 (public works and development facilities), and Section 209 (economic adjustment infrastructure and revolving loan grants).

Performance Goal 2: Build community capacity to achieve and sustain economic growth			
Long-term Outcome Measures		FY 00 Target	FY 01 Target
Percent of sub-state jurisdiction members actively participating in the Economic Development District Program		75%	75%
Percent of Economic Development Districts and Indian tribes' grantees whose Comprehensive Economic Development Strategy (CEDS) is on time and acceptable		75%	75%
Percent of University Center clients rating technical assistance received as a 7 on a 1 to 10 scale (10 is best)		75%	75%
Percent of Trade Adjustment Assistance Center clients rating technical assistance received as a 7 on a 1 to 10 scale (10 is best)		75%	75%
Long-Term Outcome Measure	FY 99 Actual	FY 00 Target	FY 01 Target
Number of research and national technical assistance results published or presented nationally each year	6 annually	5 annually	5 annually
Interim & Process Measures	FY 99 Actual	FY 00 Target	FY 01 Target
Percent of local technical assistance and economic adjustment strategy grants awarded in areas of highest distress	31%	25%	25%
Certification processing time for trade impacted firms	18% decrease	4% decrease	4% decrease

This performance goal is supported by budget activities for Planning and Technical Assistance as authorized by PWEDA under Section 203 and 206 (District and other planning grants); Section 207 and 208 (university centers, local technical assistance, and national technical assistance, research and evaluation grants); and Section 209 (strategic planning grants); and by the Trade Act of 1974, as amended.

Resource Requirements Summary

Total Bureau Dollars: \$437 M

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Support job creation and private enterprise in economically distressed communities	\$313 M	\$312 M	\$353 M
Build community capacity to achieve and sustain economic growth	\$78 M	\$74 M	\$84 M

Total Bureau FTEs: 265

Skill Summary¹: Economic development, planning, legal, engineering, technology, environmental (includes all EDA FTE – direct, reimbursables²)

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Support job creation and private enterprise in economically distressed communities	171	174	174
Build community capacity to achieve and sustain economic growth	92	90	91

Total Bureau IT Dollars: \$1.96 M

IT Requirements: Upgrade database management systems, develop new grantee performance management system³

Performance Goal	FY 99 Actual	FY 00 Enacted	FY 01 Request
Support job creation and private enterprise in economically distressed communities	\$1.7 M	\$1.2 M	\$1.27 M
Build community capacity to achieve and sustain economic growth	\$1.0 M	\$0.7 M	\$0.69 M

¹ Total FTE is a combination of direct EDA human resources dedicated to the programs under each goal and non-direct human resources allocated to each goal. The allocation of indirect human is based on the share of direct human resources dedicated to each goal.

² FY 1999 is based on actual obligations; FY 2000 is based on the appropriated program dollars and salaries and expenses; FY 2001 is based on the Presidential request.

³ IT dollars for each goal are derived from total FTE allocations for each goal.

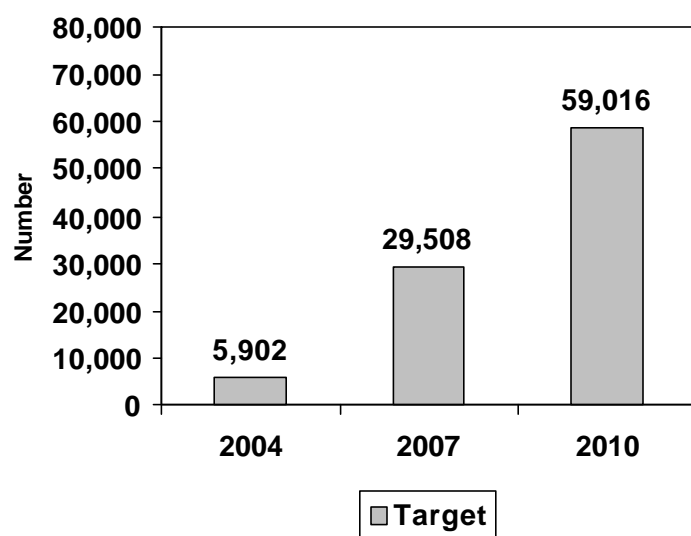
Performance Goal 1: Support Job Creation and Private Enterprise in Economically Distressed Communities

Rationale for Performance Goal

EDA helps communities respond to severe changes in local economic conditions resulting from a wide range of factors, including the loss of major employers, defense downsizing and base closures, trade impacts, and natural disasters. Strategic investments in public infrastructure and local capital markets can help distressed communities create and retain jobs, stabilize and diversify local economies, and generate future growth. EDA public works and economic adjustment grants, including revolving loan funds, implement comprehensive economic development strategies to address problems of substantial unemployment, low per capita income, or other special needs as authorized by the Public Works and Economic Development Act of 1965 (PWEDA). Long-term program objectives are to stabilize local economies, stimulate permanent employment and private investment, and improve incomes in economically distressed areas. EDA long-term investments are expected to generate results that increase over time, and can be measured over a period of years. Recent evaluations conducted by Rutgers University indicate that EDA public works and revolving loan fund projects (RLF) generate significant results within three years of grant approval, these results typically double over the next six years. Based on these findings, for construction and RLF long-term outcome measures, EDA requires grantees to report results at three, six and nine years following the grant award. Performance projections for direct permanent jobs created or retained, and for private dollars invested, are developed for each reporting interval, based on quantifiable program evaluations conducted by Rutgers University, et al. These include: *Public Works Program Performance Evaluation* (May 1997) and the *Defense Adjustment Program Performance Evaluation* (November 1997).

Measure 1.a:

Number of permanent jobs created or retained in distressed communities as a result of EDA grants



Data Validation and Verification:

Target: 59,016 by FY 2010

Data collection: Grantee performance reports

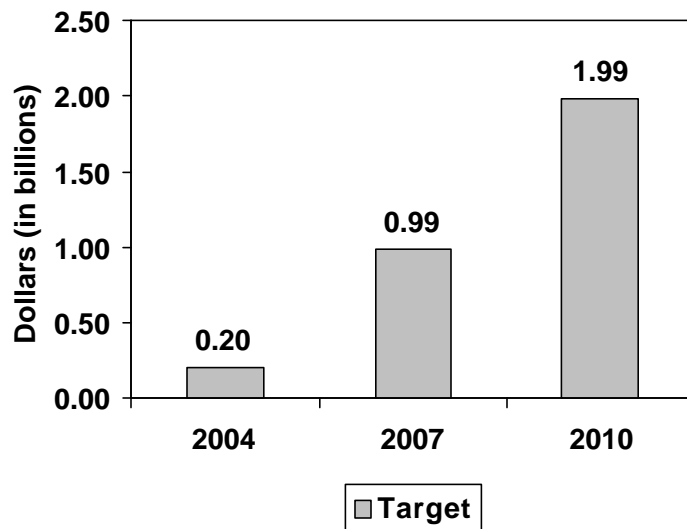
Frequency: Three, six and nine years after grant award

Data storage: EDA database under development

Verification: To test performance projections, provide training and improve reporting, EDA conducts pilot reviews of past investments. The *EDA GPRA Pilot I and II Reports* (November 1999) review the performance of 58 construction projects completed in FY 1993 and 44 revolving loan funds approved in FY 1993. The findings are consistent with the two prior evaluations, which include in-depth examinations of construction and revolving loan fund projects funded by EDA, and their impacts on the local economy. Projections for FY2001 performance are based on direct jobs only. Additional discounting of job projections is the result of external factors, producing conservative numbers (projections) for direct permanent jobs and private dollar invested. For further information regarding outcome projections and GPRA pilots, please see Appendix 5.

Performance Goal 1: Create Jobs and Private Enterprise in Economically Distressed Communities

Measure 1.b: Private sector dollars invested in EDA projects



Data Validation and Verification:

Target: \$1.99 Billion by FY 2010

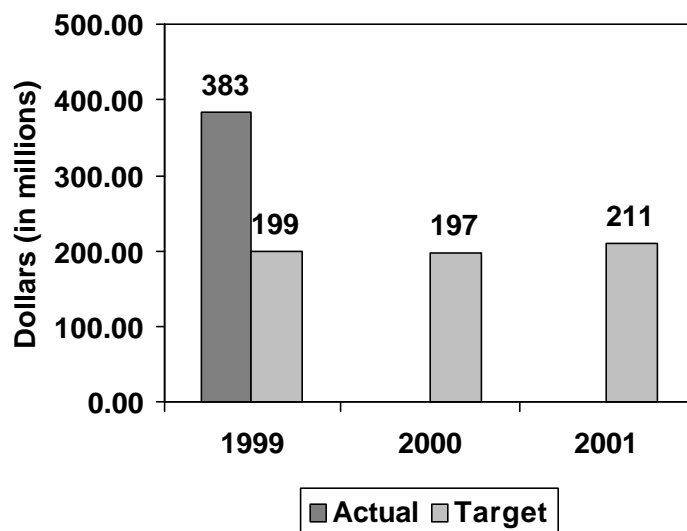
Data collection: Grantee performance reports

Frequency: Three, six, and nine years after grant award

Data storage: EDA database under development

Verification: To test performance projections, provide training and improve reporting, EDA conducts pilot reviews of past investments. The *EDA GPRA Pilot I and II Reports* (November 1999) review the performance of 58 construction projects completed in FY 1993 and 44 revolving loan funds approved in FY 1993. The findings are consistent with the two prior evaluations. The findings include in-depth examinations of construction and revolving loan fund projects funded by EDA, and their impacts on the local economy. Projections for FY2001 performance are based on direct jobs only. Additional discounting for external factors produce conservative numbers (projections) for direct permanent jobs and private dollar invested. For further information regarding outcome projections and GPRA pilots, please see Appendix 5.

Measure 1.c: State and local dollars committed to EDA-funded projects



Data Validation and Verification:

Target: \$211 million for FY 2001

Data collection: Grantee applications and progress reports

Frequency: At the time of grant award and project completion

Baseline: FY1998 grants

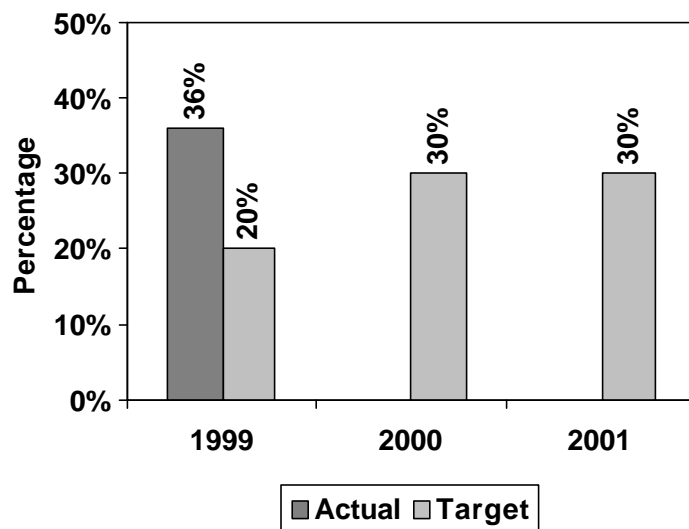
Data storage: EDA database

Verification: EDA verifies non-federal funds committed to projects prior to disbursement of grant funds.

Comment: New EDA legislation requires increased State and local matching funds.

Performance Goal 1: Create Jobs and Private Enterprise in Economically Distressed Communities

Measure 1.d: Percent of public works and economic adjustment facilities and revolving loan fund grants awarded in areas of highest distress



Data Validation and Verification:

Target: 30% of FY2001 grants

Data collection: Project locations entered by Regions

Frequency: Ongoing

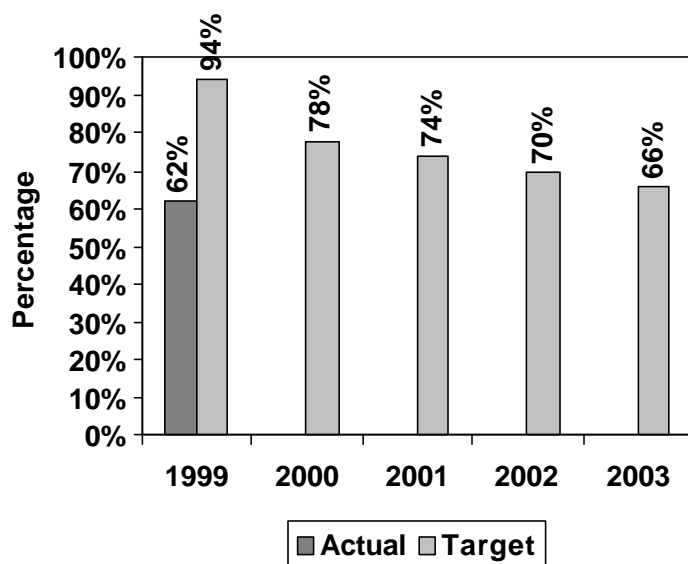
Baseline: FY1998 grants

Data storage: EDA database

Verification: EDA samples projects periodically to ensure accurate project location codes. Statistical data is based on Bureau of Labor Statistics current 24-month unemployment data and most current Bureau of Economic Analysis per capita income data. EDA will sample projects, periodically, to ensure accurate reporting.

Comment: The highest distress criteria, for a 70% grant rate, are defined by new EDA regulations. These criteria are reserved for projects located in areas where the 24-month unemployment rate is at least 180% of national average, or the per capita income is not more than 60% of national average. Projects located in disaster areas and Indian tribes are also included in definition.

Measure 1.e: Application processing time for public works and economic adjustment construction, and revolving loan fund grants



Data Validation and Verification:

Target: Reduce the application process by 6%
Data collection: Regional Offices enter dates when completed applications are received and numbered; Headquarters enters final decision dates.

Frequency: Ongoing

Baseline: FY1998 grants – 98 Median Days

Data storage: EDA database

Verification: EDA will sample projects, periodically, to ensure accurate reporting

Comment: In FY1999, new EDA legislation was introduced that resulted in late fiscal year project invitations and unusually compressed project development and processing. EDA shifted resources to achieve this level of performance under extraordinary circumstance, and cannot sustain project processing at this level without affecting other critical program and administrative functions. The baseline for FY2000 has been revised to address the significant variance between target and actual decrease in processing for FY1999. The new baseline (an average of FY1998 and FY1999) is 79.5 median days. The target will remain at 6% decrease. The baseline in FY2000 will be re-examined.

Performance Goal 1:**Create Jobs and Private Enterprise in Economically Distressed Communities****Program Evaluation Efforts**

To complement its performance measurement system, EDA conducts systematic evaluations of all program activities to develop, test, and refine performance measures and benchmarks. EDA is making significant investments in program evaluation, and research to improve programs, and to provide useful information to local economic development practitioners. EDA's goal is to evaluate programs on a regular basis (i.e., every five years). EDA-sponsored evaluations under this goal include the following:

- Public Works Program Performance Evaluation (Rutgers University et al., March 1997)
- Defense Adjustment Program Performance Evaluation (Rutgers University, et al. November 1997)
- Public Works Program: Multiplier and Employment-Generating Effects (Rutgers University et al, 1998)
- EDA's Response to the Midwest Flood of 1993: An Evaluation (Aguiree International, 1998)

EDA will continue its strategy of evaluating its programs in order to serve its customers more efficiently and effectively and to develop facts and data that will help the agency focus on program direction. In addition, EDA sponsors research and national technical assistance projects to explore policy and program issues affecting distressed communities. For FY2000, EDA is currently evaluating its Revolving Loan Fund Program.

Strategies and Activities

Strategies	Activities
Provide construction grants for economic development projects in distressed communities	<ul style="list-style-type: none"> • Build or rebuild public infrastructure (roads, water, sewer, and other infrastructure) to support the establishment or expansion of commercial and industrial facilities in distressed communities • Help communities upgrade technology infrastructure and training facilities to prepare for a technology-based economy • Redevelop abandoned or under-utilized industrial sites and facilities, including "brownfields" to restore employment and private investment in distressed areas • Support resource recovery and sustainable development initiatives
Provide construction and revolving loan fund grants to implement economic adjustment strategies in response to sudden job loss and severe economic distress	Revolving loan fund grants will be used to: <ul style="list-style-type: none"> • Provide flexible financing to modernize aging plant and equipment, introduce new technologies, products and markets, and increase productivity • Invest in stabilizing and diversifying the local economy • Target flexible financing and modern infrastructure of growth industries and new enterprise in distressed communities. • Provide for defense adjustment and disaster recovery

Performance Goal 1:
Create Jobs and Private Enterprise in Economically Distressed Communities

Resource Requirements Summary

Total Dollars: \$353 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
\$313 M	\$312 M	\$353 M

FTEs: 174

FY 99 Actual	FY 00 Enacted	FY 01 Request
171	174	174

IT Dollars: \$1.3 million

FY 99 Appropriations	FY 00 Enacted	FY 01 Request
1.72 M	1.16 M	1.27 M

Crosscutting Issues

Intra-DOC

- TA/NIST: Technology policy and Manufacturing Extension Partnership (MEP)
- NTIA: Telecommunications and information infrastructure grants
- MBDA: Business assistance services
- NOAA: Natural disaster reduction, sustainable development and recovery from natural resource depletion.

Other Government Agencies

Economic Development

- *US Department of Agriculture (USDA) Rural Development/Rural Utilities Service (RD/RUS)* - community facilities and intermediary lending programs; supplemental funding for projects in distressed rural areas.
- *US Department of Transportation Federal Highways Administration (FHA) and Federal Aviation Administration (FAA)* – coordinate development projects in close proximity to federal highways and FAA controlled airports.
- *Appalachian Regional Commission (ARC)* – community economic development in the 13 state ARC service area

Environmental Issues

- *Environmental Protection Agency (EPA)* – brownfields redevelopment and air quality; EDA was the first agency to partner with EPA on brownfields redevelopment

Performance Goal 1: Create Jobs and Private Enterprise in Economically Distressed Communities

Community Adjustment

- *Department of Defense Office of Economic Adjustment (OEA)* – defense adjustment
- *Department of Energy (DOE)* – community adjustment to energy facility closures

Disaster Mitigation

- *Federal Emergency Management Agency (FEMA)* - disaster mitigation, recovery, and training

Note: EDA has established interagency agreements with most of these agencies to define roles for coordinating special initiatives or funding related project activities. EDA began a systematic review of interagency agreements and performance measures for crosscutting programs/initiatives in FY 1999, and will update agreements in FY 2000 consistent with EDA's new legislation and Departmental requirements. Adjustments will be reflected in future updates to this report.

External Factors and Mitigation Strategies

- Changes in national or regional economic conditions that impact business growth and investment decisions in communities receiving EDA assistance affect program outcomes.
- Natural disasters and other major events can create a special need or unanticipated demand for EDA assistance, and can alter the mix of projects funded each year.

EDA's focus on strategic planning at the local level provides flexibility to fund many different types of project activities and innovative approaches to economic development. To preserve this flexibility, EDA does not predetermine funding for particular types of projects at the national level. Instead, EDA develops regional investment strategies to target assistance to distressed communities within each region. This allows EDA to respond quickly to regional variations in economic conditions and to the specific needs, opportunities and constraints that affect local economic development efforts within each region.

Performance Goal 2: Build Local Capacity to Achieve and Sustain Economic Growth

Rationale for Performance Goal

Although economic development is a local process, EDA plays an important role in this process by helping distressed communities build capacity to identify and overcome barriers that inhibit economic growth. EDA's approach is to support local planning and long-term partnerships with state and regional organizations that assist distressed communities with strategic planning and investment activities. This process helps local communities set priorities, determine the viability of projects, and leverage outside resources to improve the local economy and sustain long-term growth.

EDA planning funds support the development of Comprehensive Economic Development Strategies (CEDs), which guide EDA investment decisions for public works and economic adjustment implementation grants, including revolving loan funds. Sound local planning also attracts other federal, State and local funds to implement long-term investment strategies. Evaluations of EDA's public works and defense adjustment programs show that EDA planning and technical assistance programs play a significant role in the successful completion and outcomes of its infrastructure and revolving loan fund projects.

Measure 2.a:
Percent of sub-state political jurisdiction members actively participating in the Economic Development District (EDD) program

Data Validation and Verification:

Target: 75% by FY 2001

Data collection: EDA Grantee Performance Evaluations

Frequency: 1/3 of EDDs to be evaluated annually

Data storage: EDA database

Baseline: FY2000 grants

Verification: EDA will conduct periodic performance reviews and site visits including interviews with clients.

Data Limitations: See below.

Comments: During FY 1999, EDA began testing a plan for evaluating the performance of EDDs, which receive EDA funding for ongoing planning activities. This evaluation cycle will provide annual program for one-third of EDA-funded Districts each year. OPCS procedures will require EDA regional offices to enter data within 30 days of a District evaluation.

Measure 2.b:
Percent of Economic Development District and Indian Tribe planning grantees whose Comprehensive Economic Development Strategy (CEDs) is on time and acceptable

Data Validation and Verification:

Target: 75% by FY 2001

Data collection: CEDs reports

Frequency: Annual

Baseline: FY 2000 grants

Data storage: EDA database

Verification: EDA HQ will review OPCS data.

Data Limitations: See below.

Comments: During FY 1999, EDA developed new guidelines consistent with EDA's new reauthorization legislation for the preparation of CEDs by District and Indian planning grantees. These guidelines received final OMB clearance in December of 1999. OPCS procedures will require EDA regional offices to enter appropriate data within 30 days of receipt of CEDs reports.

Performance Goal 2: Build Local Capacity to Achieve and Sustain Economic Growth

Measure 2.c:

Percent of University Center clients satisfied with technical assistance provided for local economic and business development

Data Validation and Verification:

Target: 75% by FY 2001

Data collection: Grantee client survey / reports

Frequency: Annual

Baseline: FY2000 grants

Verification: Performance data will be verified for 1/3 of the University Centers. EDA HQ will annually review OPCS data.

Data limitations: See below.

Comments: During FY 1999, EDA developed a plan for evaluating 1/3 University Centers each year. Beginning in FY 2000, client satisfaction ratings will be included in University Center Annual Reports. New OPCS procedures will require EDA regional offices to enter data within 30 days of receipt of reports.

Measure 2.d:

Percent of clients satisfied with assistance provided for trade adjustment

Data Validation and Verification:

Target: 75% for FY 2001

Data collection: Grantee client survey/reports.

Frequency: Annual

Baseline: FY 2000 grants

Data storage: EDA OPCS database

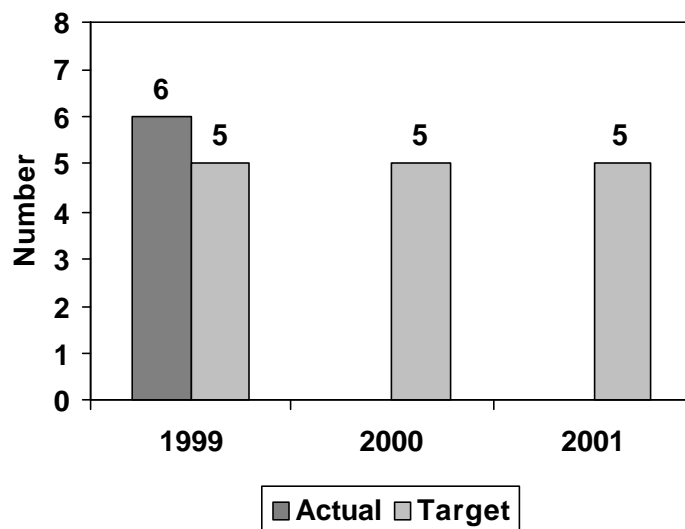
Verification: EDA will conduct periodic performance reviews and site visits to review and verify survey forms.

Data limitations: See below.

Comments: During FY 1999, EDA developed client satisfaction reports as part of each Trade Adjustment Assistance Center's annual report to EDA. These reports are due at the end of the second quarter of FY 2000.

Measure 2.e:

Number of research and national technical assistance results published or presented nationally each year



Note: Graph includes actual result for FY1999 funding.

Data Validation and Verification:

Target: 5 annually

Data collection: Grantee Reports

Frequency: Annual Review

Data storage: EDA project files.

Verification: EDA will verify by reviewing publications and national presentations.

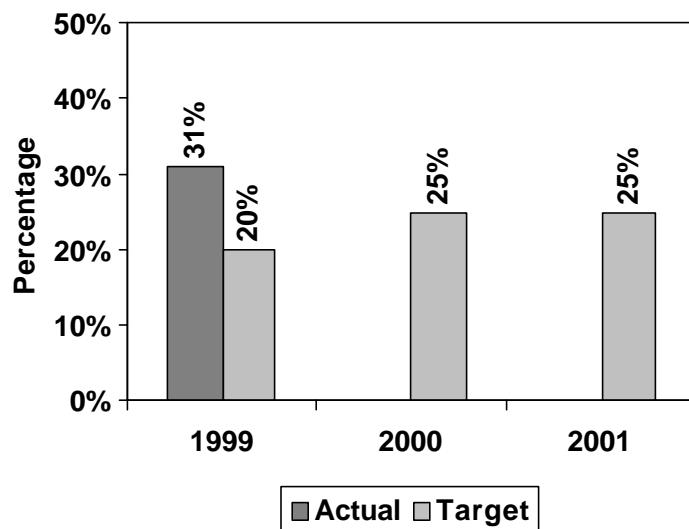
Data limitations: None

Comments: EDA's research and national technical assistance continues to improve EDA's website as a resource for economic development professionals and practitioners serving economically distressed rural and urban communities.

Performance Goal 2: Build Local Capacity to Achieve and Sustain Economic Growth

Measure 2.f:

Percent of local technical assistance and economic adjustment strategy grants awarded in areas of highest distress



Data Validation and Verification:

Target: 25% of FY 2001 grants

Data collection: Project locations entered by Regions

Frequency: Ongoing

Baseline: FY1998 grants

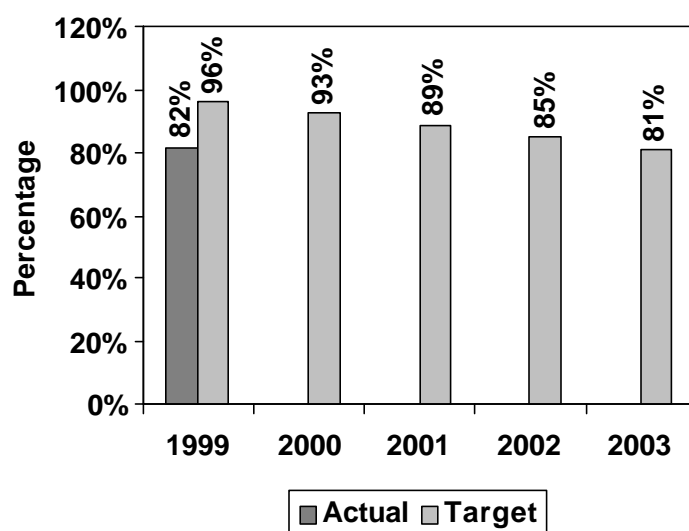
Data storage: EDA database

Verification: EDA samples projects periodically to ensure accurate project location codes. Statistical data is based on Bureau of Labor Statistics current 24-month unemployment data and most current Bureau of Economic Analysis per capita income data. EDA will sample projects, periodically, to ensure accurate reporting.

Comment: The highest distress criteria, for a 70% grant rate, are defined by new EDA regulations. These criteria are reserved for projects located in areas where the 24-month unemployment rate is at least 180% of national average, or the per capita income is not more than 60% of national average. Projects located in disaster areas and Indian tribes are also included in definition.

Measure 2.g:

Certification processing time for trade-impacted firm



Data Validation and Verification:

Target: Reduce the application processing time by 4% annually.

Data collection: Planning and Development Assistance Division Database

Baseline: FY 1998 was 56 Mean Days

Frequency: Quarterly

Data storage: Project Officer in charge of database

Verification: EDA will sample projects periodically to ensure accurate reporting.

Comments: In FY 1999, an 18 percent reduction in certification processing time was achieved while a 4 percent reduction was targeted. The greater reduction in processing time, than the stated target, is due to the extraordinary efforts by EDA staff to certify firms before the lapsed of authorization, which took place on June 30, 1999. The TAA program was not re-authorized until FY 2000. The data collected and used for this measure ended on June 30, 1999. Due to this reauthorization anomaly, EDA will continue to use the stated target and FY 1998 baseline results in FY 2000.

Performance Goal 2: Build Local Capacity to Achieve and Sustain Economic Growth

Program Evaluation Efforts

To complement its performance measurement system, EDA conducts systematic evaluations of all program activities to develop, test and refine performance measures and benchmarks. EDA is making significant investments in program evaluation and research to improve programs and provide useful information to local economic development practitioners. EDA's goal is to evaluate programs on a regular basis (i.e., every five years). The following is a listing of EDA- sponsored program evaluations:

- *Select Practices for Economic Development: EDA University Centers* (National Association of Manufacturing & Technical Assistance Centers, 1998)
- *Effective Aid to Trade-Impacted Manufacturers* (Urban Institute, 1998)

EDA will continue its strategy of evaluating its programs in order to serve its customers more efficiently and effectively and to develop facts and data that will help the agency focus on program direction. In addition, EDA sponsors research and national technical assistance projects to explore policy and program issues affecting distressed communities. For FY2000, EDA is currently evaluating its University Center Program, which is being conducted by Mt. Auburn Associates. EDA has also planned the following evaluations for FY2000:

- *Evaluation of EDA's Planning Program* (planned for FY 2000)– EDA will sponsor an evaluation of the effectiveness of EDA's Planning Program and the network of local partnerships that have provided assistance for economic development efforts at the local and regional level over the past 30 years. In 1998 EDA commissioned an independent evaluation of its regional planning process in order to increase the benefits of the process and enhance economic development capacity at the local level. That evaluation was completed in 1999 (see above). The current evaluation will complement this earlier evaluation by measuring the impact of EDA's assistance under the Planning Program.
- *Evaluation of EDA's Local Technical Assistance Program* (planned for FY 2000) – EDA will sponsor an evaluation of this program, which provides funding for feasibility studies, consultants, technical advisors, professional services or similar activities required to solve specific development problems, assess development options, or increase local capacity to implement effective development strategies. In recent years funding for the program has been approximately \$1.5 million per year with an average grant amount of approximately \$25,000. The program was last evaluated in 1989.

Performance Goal 2:
Build Local Capacity to Achieve and Sustain Economic Growth

Strategies and Activities

Strategies	Activities
<p>Build capacity for strategic planning and investment activities through a national network of: 320 Economic Development Districts (EDDs); 64 Indian tribes; 69 University Centers; and 12 Trade Adjustment Assistance Centers (TAACs). These programs work in unison to: enhance local capacity; Remove barriers to economic growth.</p>	<ul style="list-style-type: none"> · Provide professional staff and technical expertise required to support the effective planning of economic development programs through a network of regional planning organizations and technical assistance centers · Award grants to support strategic planning and technical assistance providers · Develop an EDA web page to disseminate national research and other pertinent materials dealing with economic development
<p>Disseminate information about research, best practices, and new knowledge about economic development issues and problems affecting distressed communities and diverse local economies to institutions, communities and entities engaged in enhancing America's economic competitiveness</p>	<ul style="list-style-type: none"> · Provide research and national technical assistance grants for cutting edge research · Perform evaluations that provide practical, up-to-date information on the effectiveness of tools for economic competitiveness · Sponsor new research · Encourage state and local practitioners to share information · Use EDA's website to share information and research findings

Performance Goal 2:
Build Local Capacity to Achieve and Sustain Economic Growth

Resource Requirements Summary

Total Dollars: \$84 million

FY 99 Actual	FY 00 Enacted	FY 01 Request
\$78 M	\$74 M	\$84 M

FTEs: 91

Skill Requirements: Economic development policy, project management, legal, engineering, environmental

FY 99 Actual	FY 00 Enacted	FY 01 Request
92	90	91

IT Dollars: \$0.7 million

IT Requirements: Upgrade database for project management and performance measures

FY 99 Actual	FY 00 Enacted	FY 01 Request
\$1.0 M	\$0.65 M	\$0.69 M

Crosscutting Activities

Intra-DOC

- TA/NIST: Work on the Manufacturing Extension Partnership (MEP)
- National Oceanic and Atmosphere Administration (NOAA): coordination and planning for natural disaster reduction; sustainable development and recovery from natural resource depletion.
- MBDA: Business Assistance Centers; minority serving institutions.

Other Government Agencies

Economic Development

- *Appalachian Regional Commission (ARC)* – economic development planning in the 13 state ARC service area
- Indian and Alaskan Native Village Economic Development, *White House Conference on Building Economic Self-Determination in Indian Communities* – EDA will work with other departments to study the technology infrastructure needs of Indian communities and to develop a strategic plan for coordinating economic development activities for Native American and Alaska Native communities

Performance Goal 2: Build Local Capacity to Achieve and Sustain Economic Growth

Environmental Issues

- *Environmental Protection Agency (EPA)* – environmental planning; assessments for the redevelopment of brownfields; research on economic impact of air quality standards;
- *American Heritage Rivers Initiative* – EDA partners with the *Council on Environmental Quality* and the *Department of the Interior* on economic revitalization of our Nation's rivers

Disaster Mitigation

- *Federal Emergency Management Agency (FEMA)* - disaster mitigation planning, recovery, and training

Note: EDA has established interagency agreements with most of these and other agencies to define roles in funding related project activities or initiatives. EDA began a systematic review of interagency agreements and performance measures for crosscutting programs/initiatives in FY 1999 and will update agreements in FY 2000 consistent with new legislation and Departmental requirements. Adjustments will be reflected in the update to this report.

External Factors and Mitigation Strategies

- Changes in national or regional economic conditions, natural disasters, or other major events can affect resources available for planning and technical assistance activities, as well as the types of activities funded.

Opportunities to implement plans and strategies may be limited by economic and other constraints at the local, regional or national level.

